

UNCLASSIFIED

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WORKING PAPERS

Iraq Status

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Highlights



- ï The Chief Electoral Officer and seven Commissioners of the Independent Electoral Commission of Iraq completed a two week intensive training program in preparation for national elections**
- ï The recent completion of several planned electrical maintenance projects has provided some areas with more hours of electrical power (per day) than in recent weeks**
- ï Total number of telephone subscribers in Iraq is now over 1,318,000 (including 524,000 cell phone subscribers) - 58.2 % above pre-war levels**
- ï Rehabilitation of a water treatment plant in a poor area of Baghdad is complete, benefiting nearly one million residents**
- ï Iraq's Finance Ministry re-established a domestic bond market with its first auction of treasury bills on 18 Jul**



Governance - Developments

- ï **The United Nations is assisting the Iraqi Interim Government (IIG) in preparation for national elections by Jan 05**
 - ñ **The Chief Electoral Officer and Commissioners of the Independent Electoral Commission of Iraq (IEC) recently completed a two week intensive training program in Mexico City**
 - ï **Program covered standards and principles of credible elections, dispute resolution, political party and voter registration, voter education campaigns, and procedures for polling and counting results**
- ï **USAID awarded a \$50 million cooperative agreement to three US non-governmental organizations to support civil society involvement in the national elections, includes:**
 - ñ **Educating voters on broad issues of democracy, participation, and elections**
 - ñ **Building capacity within local civil society organizations to monitor the electoral process and field domestic election observers**
- ï **Prime Minister Allawi is visiting leaders of several Arab countries this week, possible areas of discussions include: potential Iraqi membership in the Gulf Cooperation Council (GCC) and security assistance**



Governance - Developments (Cont.)

- ï **United Nations Secretary-General Kofi Annan named Pakistan's current Ambassador to the United States, Ashraf Jehangir Qazi, as his Special Representative for Iraq**
- ï **USAID has been continuing its Democracy Dialogue Activities (DDA) and more than 14,000 program activities have been held in communities across Iraq**
 - ñ **Has stimulated civic participation and increased Iraqi understanding of democratic principles and the political process**



Governance - National Transition

2004

01 Jun

Iraqi Interim Government (IIG) Announced and Governing Council dissolved

Phase I
(Interim Government)

04 Jun

Election Commission established

28 Jun

Transfer sovereignty from CPA to IIG

Jul

National Conference convenes and selects Interim National Council

Oct

Iraqi Census to develop election rolls

2005

31 Jan

Elections for the National Assembly complete: NLT 31 Jan 05

Early 05

Iraqi Transitional Government takes power

Phase II
(Elected Government)

15 Aug

National Assembly completes draft of permanent constitution

15 Oct

Referendum for permanent constitution

15 Dec

Elections for government completed

31 Dec

Elected government assumes office



Essential Services - Water and Sanitation

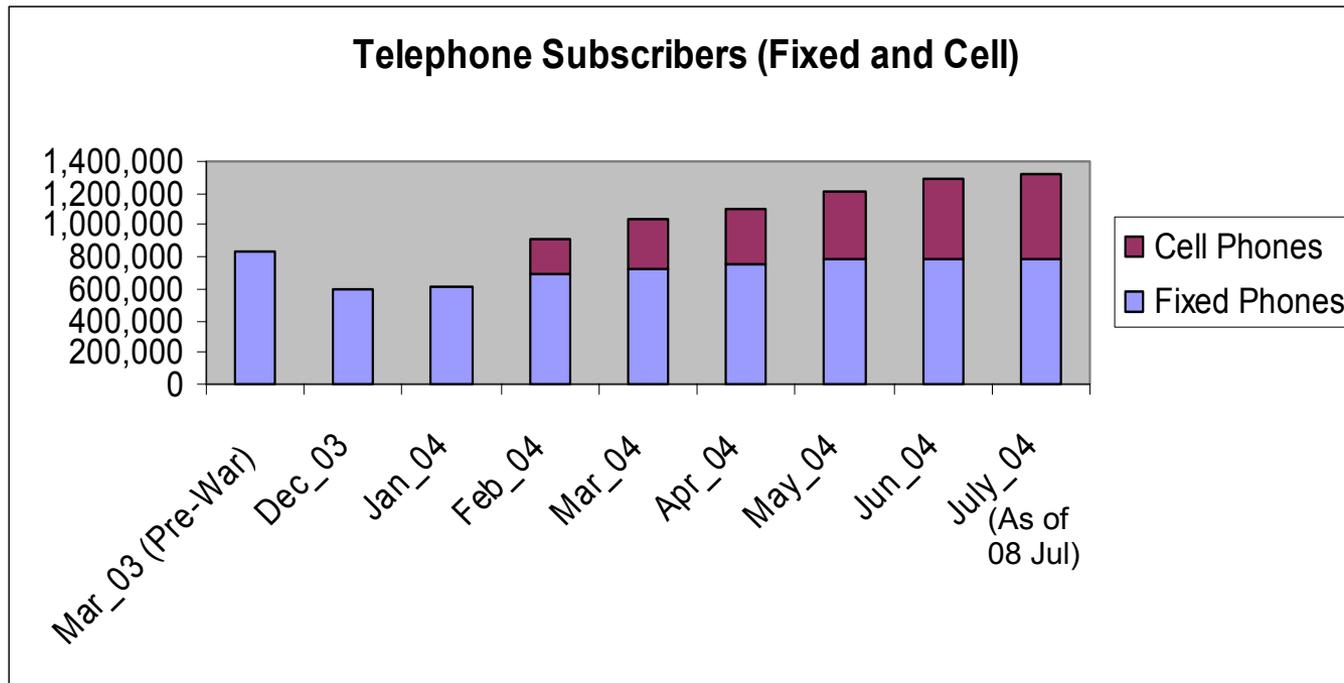
- ï **Rehabilitation of a water treatment plant in a poor area of Baghdad is complete benefiting nearly 1 million residents**
 - ñ **The plant was operating at 55-60 percent capacity before the rehabilitation**
- ï **Completion of work on a number of treatment plants and systems in the second half of 04 is expected to substantially increase access to potable water:**
 - ñ **Baghdadís Shark Dijlah plant will benefit 750,000 people**
 - ñ **Ad Diwaniyah plant will benefit more than 80,000 people**
 - ñ **An Najaf plant will benefit 560,000 people**
 - ñ **Ninawaí Governorate plants will benefit 50,000 people**
 - ñ **Fallujah plant will benefit more than 200,000 people**
- ï **Japan will send \$3.7 million in aid to the al-Muthanna province in southern Iraq province to buy 26 water trucks, 304 water tanks for trucks and hundreds of water tanks**
 - ñ **The grants are part of the \$1.5 billion Tokyo has pledged for postwar Iraqi reconstruction this year**



Essential Services - Telecommunications



- ï Total number of telephone subscribers in Iraq is now over 1,318,000 (including 524,000 cell phone subscribers) - 58.3 % above pre-war levels



- ï As of 04 Jul, there were 70,000 internet subscribers in Baghdad
- ñ Pre-war, there was limited service, with 3,000 Internet and 8,000 e-mail only accounts in @2



Essential Services - Food Security

- ï **Security has improved on major trucking routes and trucks have continued transporting grain from Umm Qasr port to storage facilities throughout the country**
- ï **Buffer food stocks are at approximately one month and building, with the goal of a three-month buffer stock by the end of summer**
 - ñ **The Ministry of Trade (MOTR) has contracts with two Iraqi firms and a Turkish firm to supply 200,000 metric tons of flour in Jul and Aug**
 - ñ **Harvest of national wheat through the end of Jul will ensure that there is an additional two months supply of wheat**
 - ñ **MOTR's second set of food procurement tenders have been issued and bids are due shortly, which will further augment nationwide stocks for the rest of the year**
- ï **The food pipeline is dependent upon World Food Program (WFP) procurement until Sep 04 and MOTR procurement thereafter**
 - ñ **Jun was the last month in which Oil For Food (OFF) commodities arrived in significant quantities**



Essential Services - Health Care

- ï **Over 5 million children between the ages of six and 12 have been immunized for Measles, Mumps, and Rubella**
- ï **Over 3 million children under five years of age have been vaccinated since Jun 03**
- ï **Shortages in critical pharmaceuticals continue due to factors including supply chain problems and corruption. As part of the response:**
 - ñ **Deliveries from the Ministry of Healthís (MoHís) second emergency drug purchase are expected to commence very soon**
 - ñ **The MoH has appealed for international assistance**
 - ñ **The MoH Inspector General has recommended the implementation of an improved inventory system**
- ï **Supplemental funds are targeting construction of primary health care clinics in every governorate and rehabilitation of 16 pediatric / maternal hospitals**
 - ñ **240 Iraqi hospitals and over 1,200 preventive health clinics are operating**



Essential Services - Education

- ï **On 15 Jul, USAID announced the award of a \$56.4 million contract that will provide technical assistance to the Iraq Ministry of Education (MOE), includes:**
 - ñ **Institutional capacity building of the MOE**
 - ñ **Creation of model schools in each of the 81 sub-districts**
 - ñ **Training of primary and secondary school teachers**
 - ñ **Procurement of supplies and equipment for schools**
 - ñ **Promotes community participation in early childhood education**
- ï **With support from USAID, Iraqi government agencies are conducting various vocational training programs to help alleviate unemployment and supply appropriately skilled workers**
- ï **Over 32,000 secondary school teachers and 3,000 supervisors have been trained as part of effort to upgrade the quality of education**
- ï **Nearly 2,500 schools have been rehabilitated to date and an additional 1,200 are expected to be complete by the end of the year**



Project and Contracting Office (PCO) Developments

- i **Number of Iraqis employed on projects funded by the supplemental and Accelerated Iraq Reconstruction Program (AIRP) is now over 31,000**
- ii **Both the number of projects underway and number of Iraqis employed will jump significantly over the next few months**
- iii **The PCO has issued 165 task orders, out of a total of 250 (69%)**
 - ñ **These task orders cover 1,566 projects nationwide, out of a total 2,300 (68%)**
- iv **The AIRP continues to gain momentum nationwide to meet urgent local needs**
 - ñ **Projects cover: water and sanitation, health, education, building, roads, power and telecommunications**
 - ñ **Over 11,600 Iraqis have been directly employed on AIRP projects**
 - ñ **Approximately 2,500 Iraqis employed on Sadr City landfill & sewer projects**
 - ñ **Stimulates local economy and provides opportunities for local businesses**



Project and Contracting Office (PCO)



Sector	2207 Report	Apportioned \$M	Committed \$M	Obligated \$M	Expenditure \$M
Security and Law Enforcement	3,235	2,976	2,396	1,593	248
Electricity Sector	5,465	2,538	2,414	1,739	126
Oil Infrastructure	1,701	1,701	1,649	955	16
Justice, Public Safety, and Civil Society (less Democracy)	1,033	825	590	302	17
Democracy	451	451	420	270	10
Education, Refugees, Human Rights, Governance	259	259	238	99	9
Roads, Bridges, and Construction	368	270	246	123	0
Health Care	786	512	484	334	0
Transportation and Telecommunications	500	467	368	74	4
Water Resources and Sanitation	4,247	816	826	451	0
Private Sector Development	183	136	100	47	16
Admin Expense (USAID, CPA Successor)	213	29	29	29	12
TOTAL	18,439	10,980	9,760	6,016	458
CONSTRUCTION	12,406	5,740	5,560	3,850	
NON-CONSTRUCTION	5,582	4,789	3,780	1,896	
DEMOCRACY	451	451	420	270	
Total	18,439	10,980	9,760	6,016	458



Economy



- ï On 28 Jun, estimated crude oil export revenue was around \$8.1 billion for 04 (latest data available)
- ï The Consumer Price Index for May in Iraq declined by 1.2 percent relative to its Apr level
- ï The New Iraqi Dinar was at 1,460 dinars per dollar on 8 Jul, and has been stable for nearly five months
- ï Iraq's Finance Ministry auctioned 150 billion dinars (\$103 million) of treasury bills on 18 Jul
 - ñ This is the first step in re-establishing a local bond market and will allow free-market forces to set interest rates
 - ñ Will be used to repay debt issued by Saddam Hussein's regime
 - ñ Future auctions are expected to take place every few weeks
 - ñ A result of the capacity building efforts at the Central Bank of Iraq by Coalition advisors



Economy (Cont.)



- ï **Nearly 3,000 micro-credit loans were made to Iraqi businesses totaling over \$6M**
 - ñ **Provides credit to financially viable micro and small businesses**
- ï **USAID is assisting the Iraqi Ministry of Labor and Social Affairs (MOLSA) to develop a vocational training program that will help the Iraqi government address Iraqís high unemployment rate**
 - ñ **Will help improve the skills of Iraqís workforce through vocational and technical training centers and employment centers**
- ï **Minister of Industry and Minerals is exploring leasing or renting State-owned factories for several years, as well as profit-sharing deals**
 - ñ **Would secure needed funding for the factories while avoiding privatization until an elected government is in place**
- ï **USAID recently completed training for Iraqís Ministry of Finance staff on the new Financial Management Information System (FMIS)**
 - ñ **FMIS will be implemented at 28 Ministries and four government agencies allowing more accurate and transparent accounting and reporting**



Iraqi Budgeted Spending for 04



- ii The following chart shows budgeted Iraqi spending for 04, from all revenue sources:

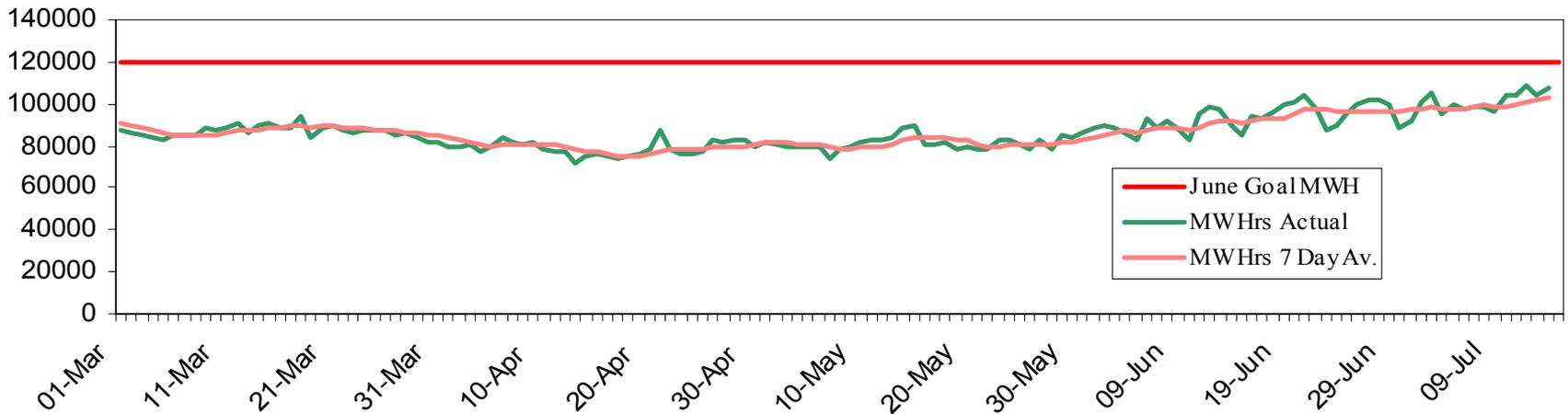
Ministry funding in millions of US\$	Revised Iraqi Budget, March 2004					New OFF	Budgeted Total
	Salaries (inc. FPS)	Other Operating Expenses	Capital Projects	Other	Total	Deposits Total	
Finance (with selected major payments)*	17	12,938	184	814	13,953	1,580	15,533
<i>Public Distribution System</i>		2,400			2,400	200	2,600
<i>Fuel Imports</i>		2,100			2,100	0	2,100
<i>Transfer Payments</i>		1,671			1,671	0	1,671
<i>Foreign Obligations (e.g., reparations)</i>		1,432			1,432	0	1,432
<i>Local/Regional Grants</i>		831			831	0	831
<i>Salaries and Retirement Awards</i>		797			797	0	797
<i>SOE Restructuring and Salary Support</i>		761			761	50	811
<i>Regional Development</i>		600			600	277	877
<i>Nation Building projects</i>		571			571	0	571
<i>Additional Security Projects</i>		500			500	500	1,000
<i>Rapid Regional Response Program</i>		225			225	0	225
<i>CERP</i>		70			70	123	193
<i>All other</i>		981			981	430	1,411
Electricity	8	210	900	-	1,118	315	1,433
Health	230	750	50	-	1,030	0	1,030
Education	682	103	170	-	955	0	955
Transport	7	82	212	-	301	0	301
Housing	37	17	233	-	287	0	287
Oil	5	56	200	-	261	460	721
Public Works	15	21	166	-	202	0	202
Water Resources	19	7	128	-	155	0	155
Interior	367	108	10	-	485	0	485
Justice	42	67	42	-	151	0	151
Defense	77	24	0	-	101	0	101
Other Agencies	265	425	237	-	927	130	1,057
TOTAL	1,773	14,809	2,532	814	19,926	2,485	22,411



Electricity Overview



Mega Watt Hour Production



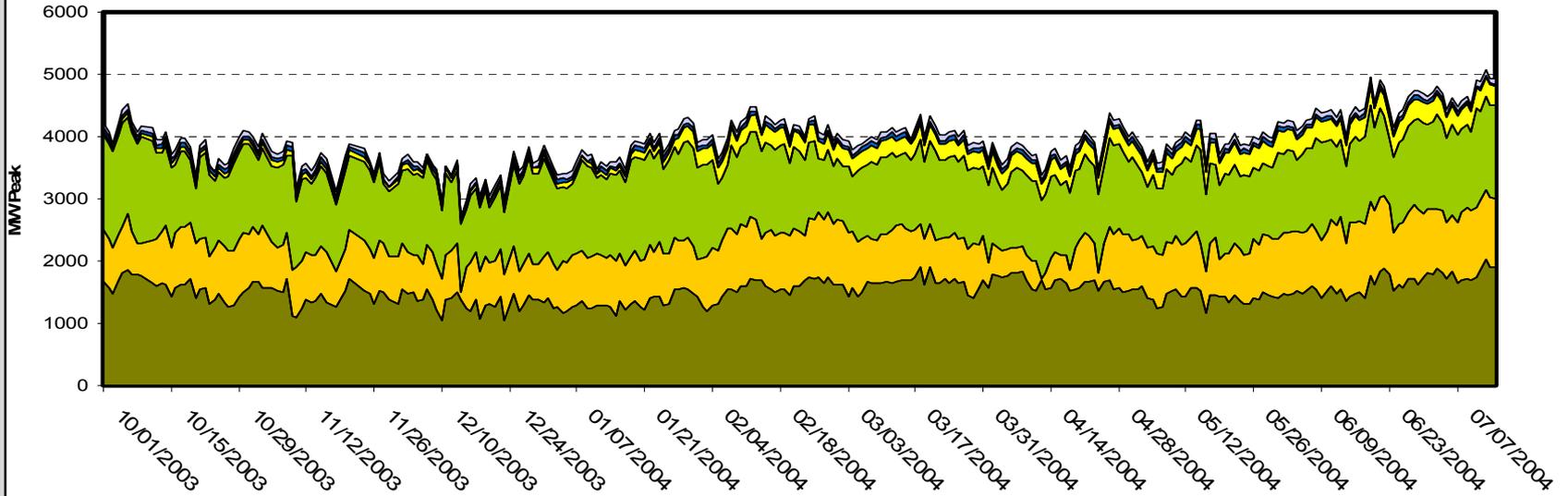
- ï Due to unforeseen problems, achievement of the Jun goal has slipped until at least Jul
- ï Spring maintenance program continues resulting in about 478 MW of generation capacity currently offline for scheduled and 502 MW for unscheduled maintenance



Power Production

Generation By Region

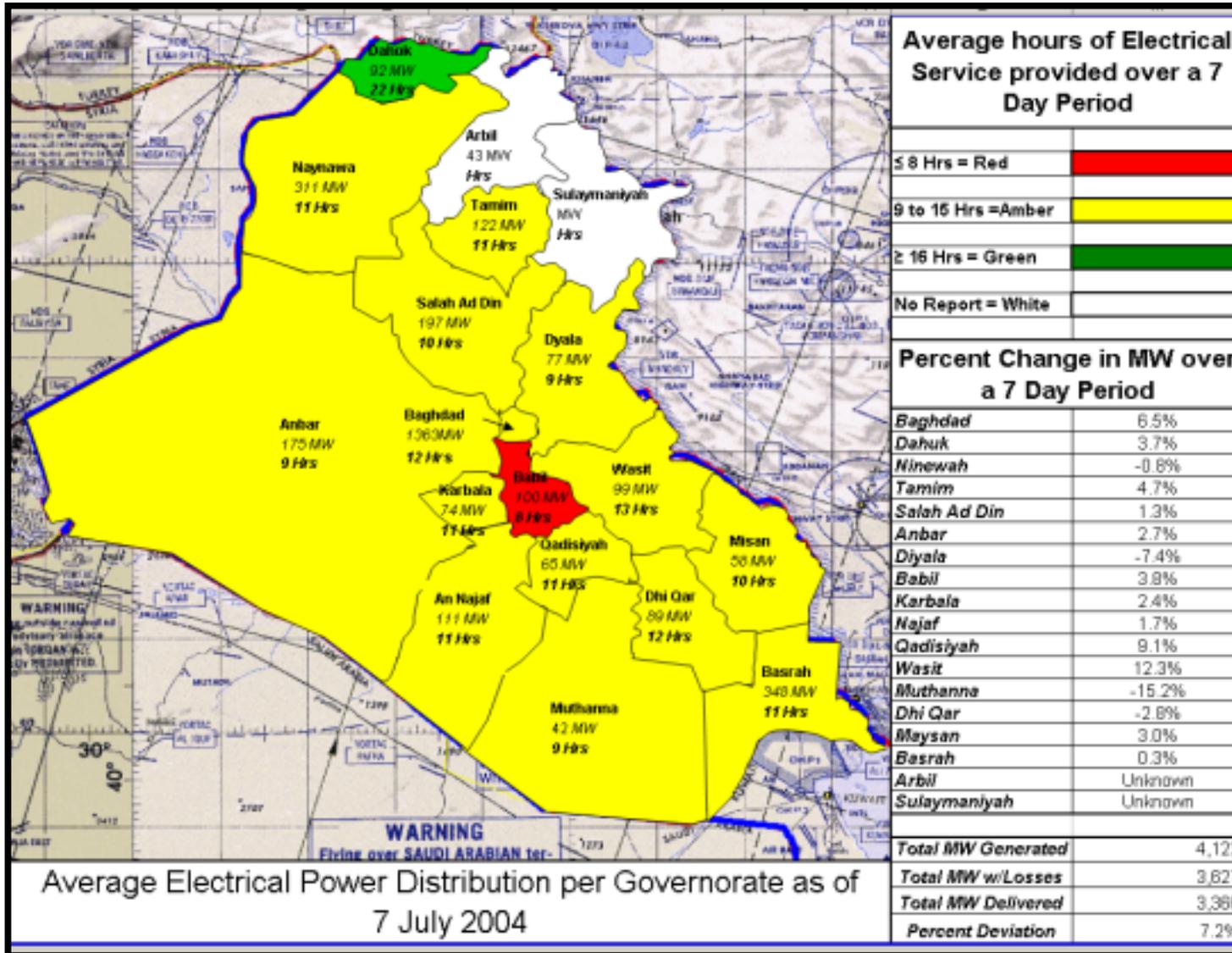
■ North
 ■ South
 ■ Central
 ■ Off Grid Gen
 ■ Syria
 ■ Turkey



i New Record: 13 Jul reached Peak Generation of 5,063 MW or
 109,177 MWH

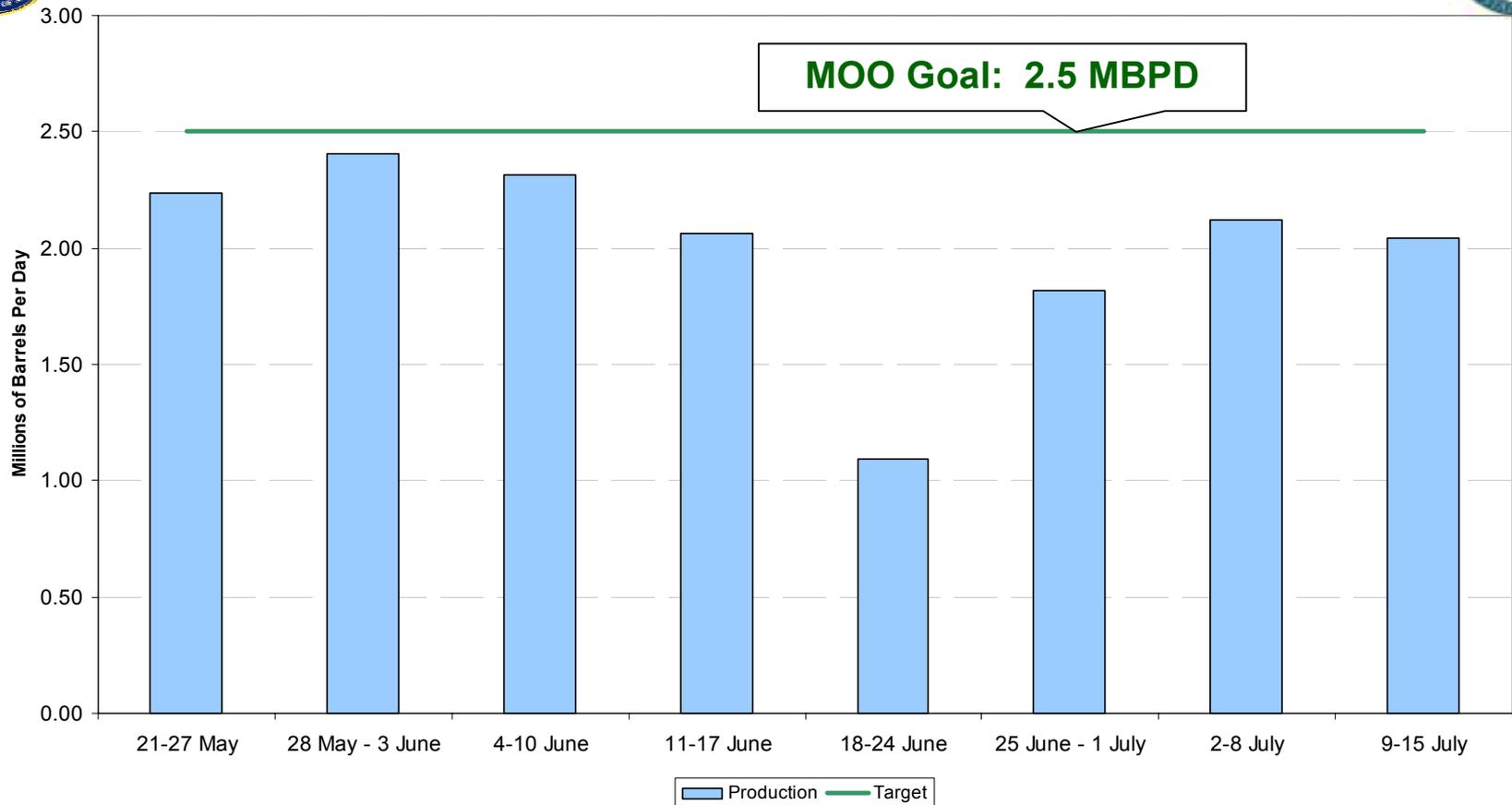


Hours of Power





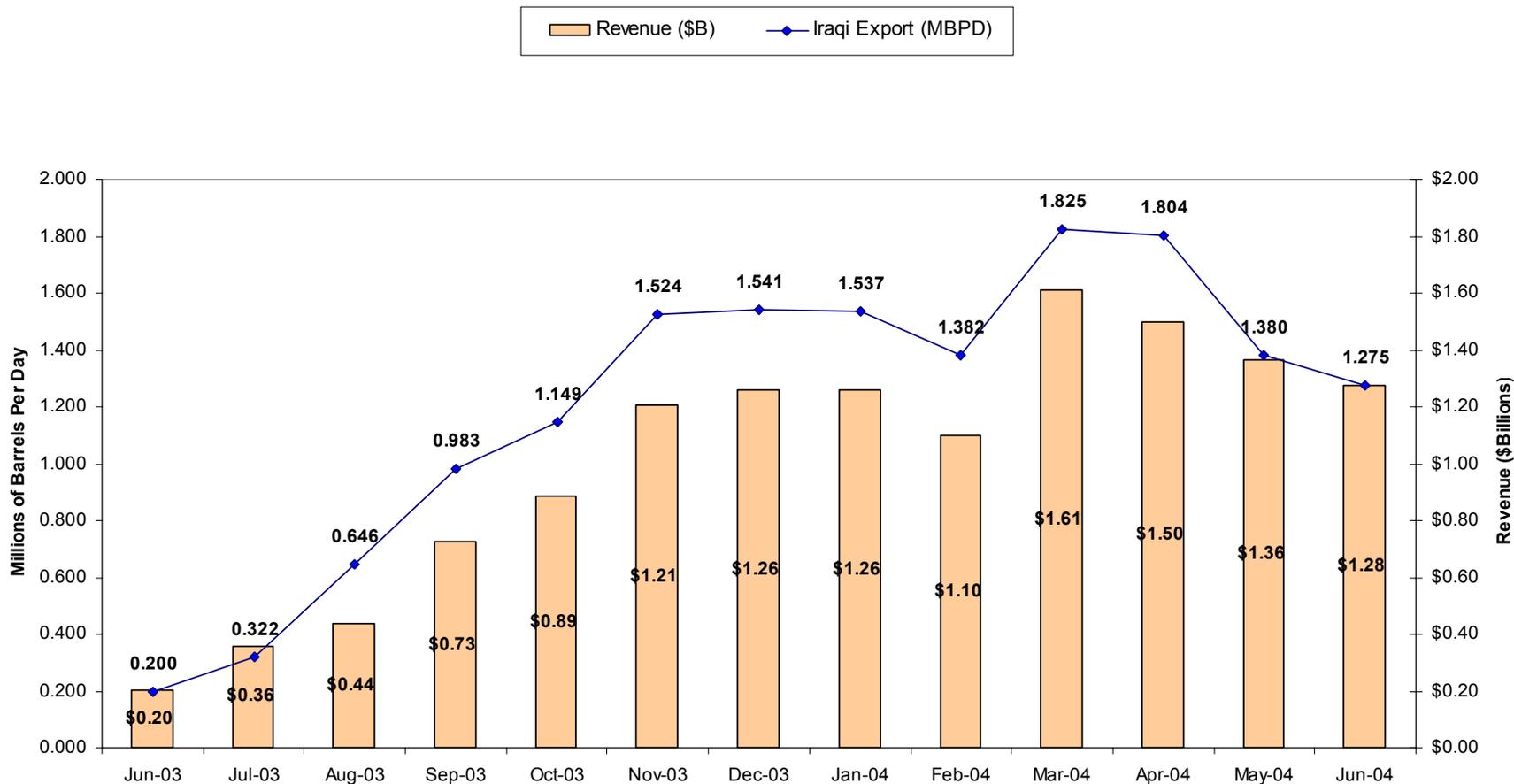
Crude Oil Production



- ï **Weekly Average of 2.041 MBPD Is Below Target of 2.5 MBPD**
- ï **Long Term Ministry of Oil (MOO) Target (Dec 04): 2.8 - 3.0 MBPD (Pre-War Capacity)**
- ï **Pre-War Peak: 2.5 MBPD in Mar 03**
- ï **Post-War Peak: 2.595 MBPD on 16 Apr 04**



Monthly Export: Volume & Revenue

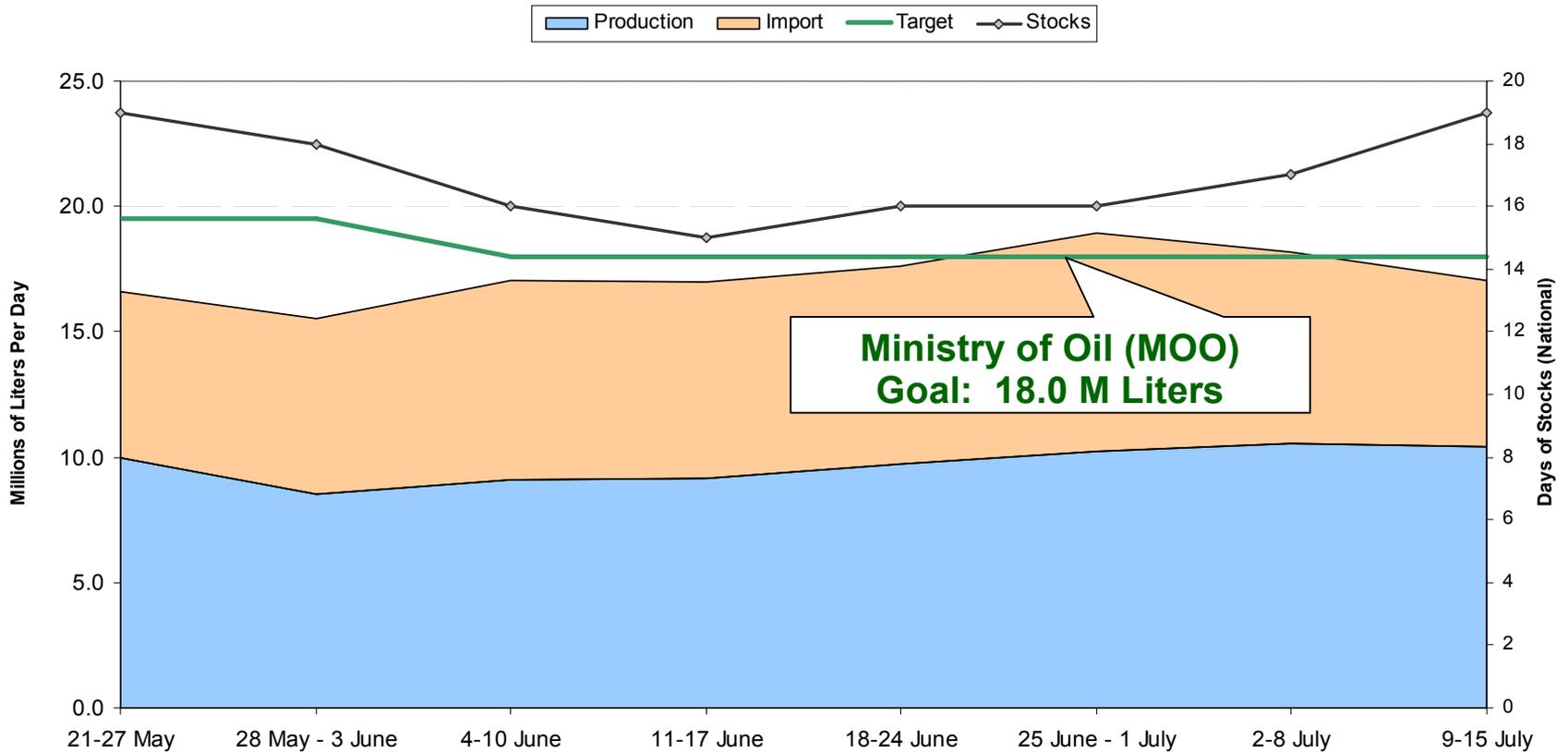


ï Current Monthly Average: No data for Jul

ï No new data since 27 Jun (exports) and 28 Jun (revenue)



Diesel Production & Imports

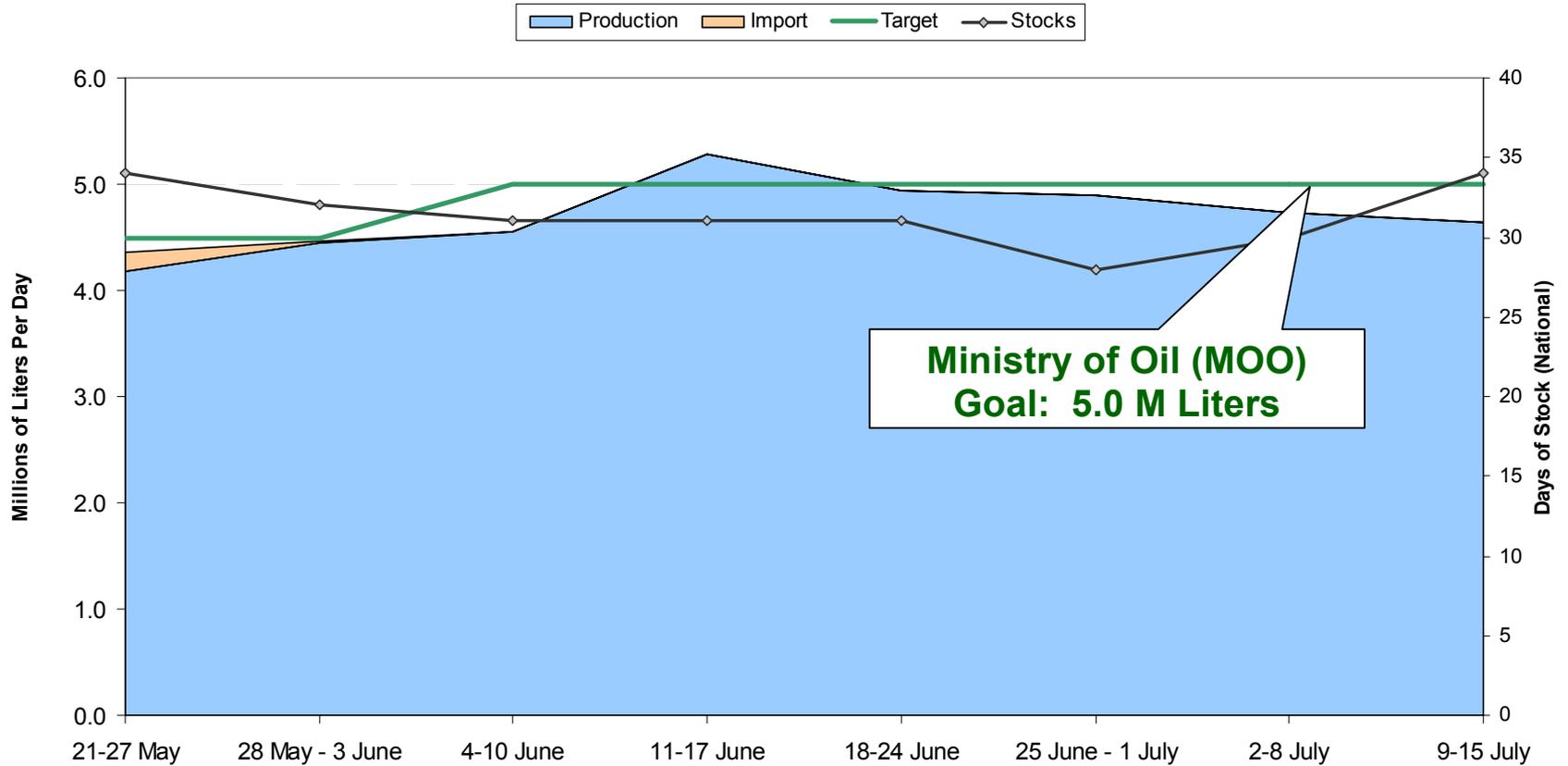


ï This week's average production and imports are 95% of goal

ï National diesel stock is 19 days



Kerosene Production & Imports

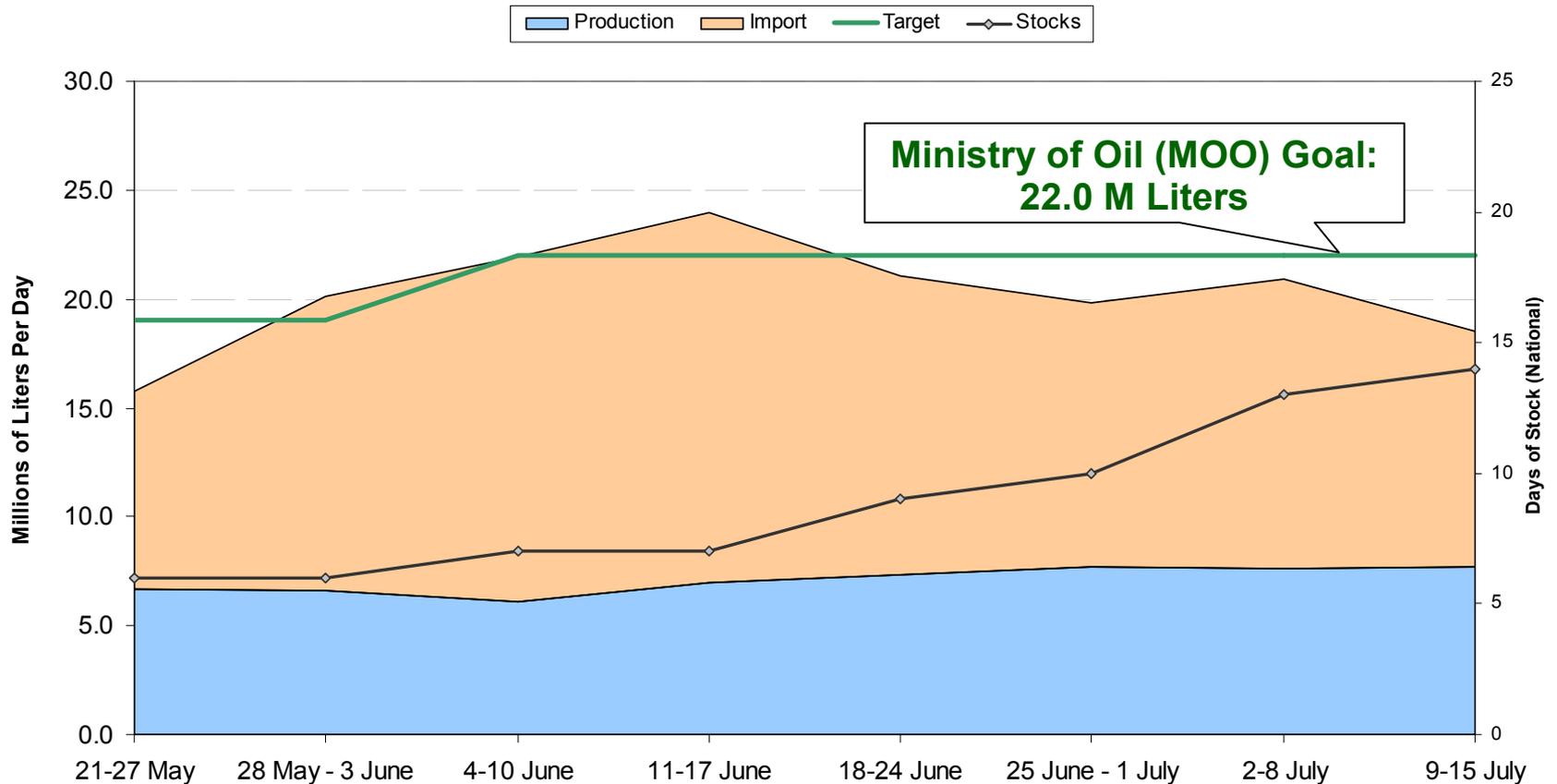


**Ministry of Oil (MOO)
Goal: 5.0 M Liters**

- ï This week's average production and imports are 93% of goal
- ï National kerosene stock is 34 days



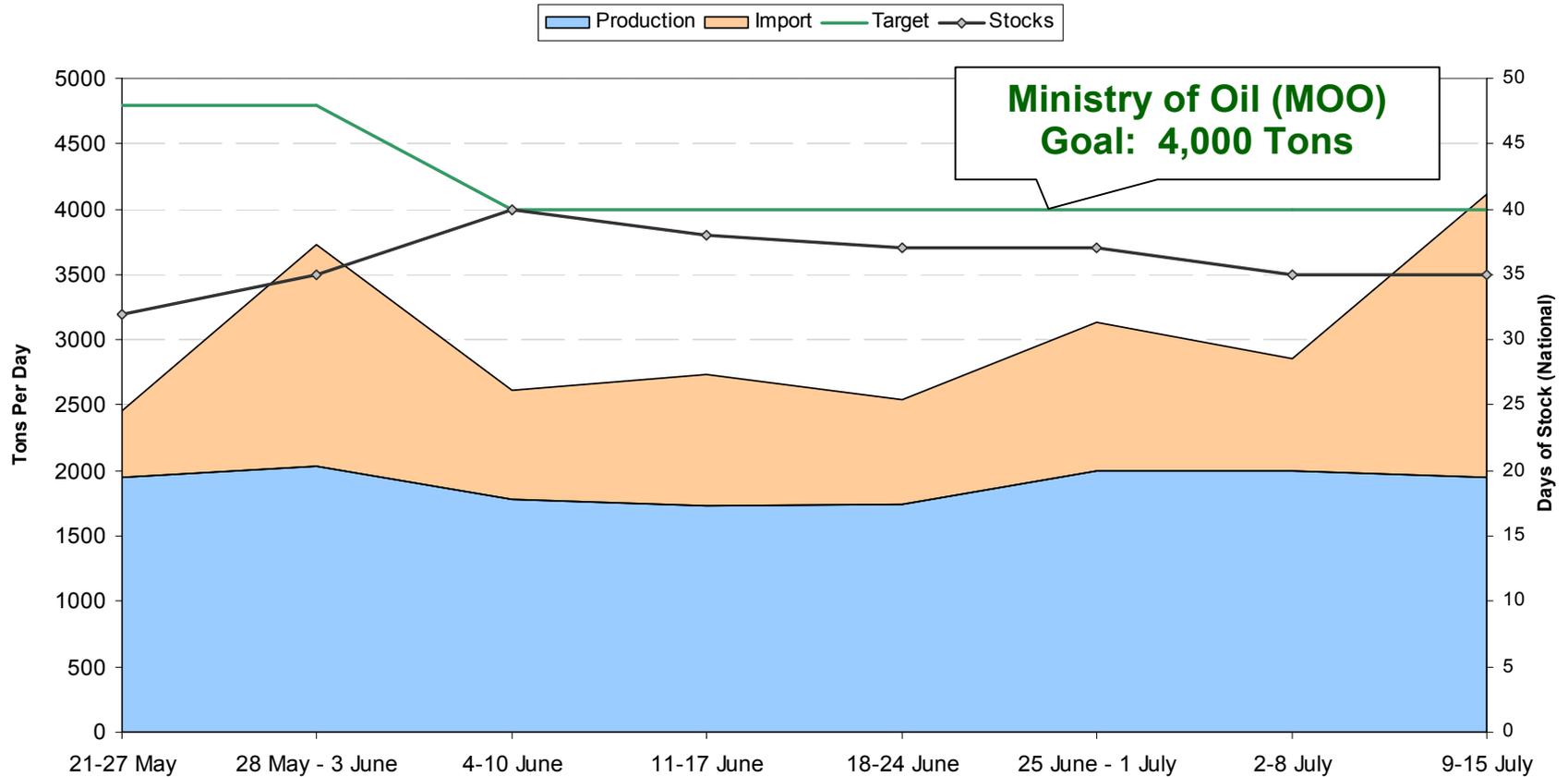
Gasoline / Benzene Production & Imports



- ï This week's average production and imports are 84% of goal
- ï National benzene stock is 14 days



Liquefied Petroleum Gas Production & Imports



- ï This week's average production and imports are 103% of goal
- ï National LPG stock is 35 days



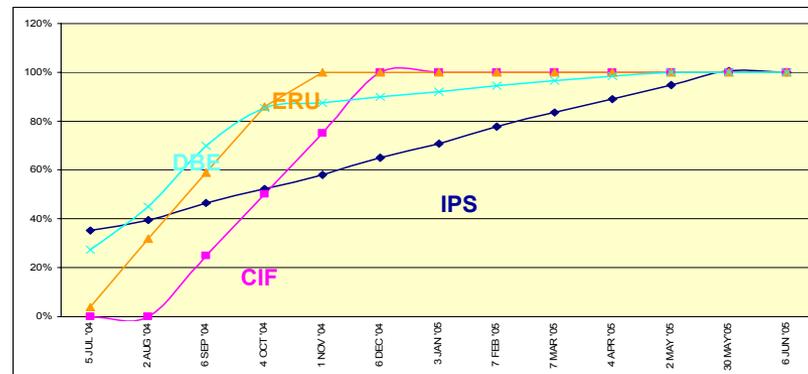
Ministry of Interior Man, Train & Equip Status

CURRENT STATUS

		MANNING		TRAINING			EQUIPPING							
							WEAPONS		VEHICLES		COMMS		BODY ARMOR	
FORCE	COMPONENT	REQiD	O/H	NOT TRNiD	IN TRNG	TRNiD	REQiD	O/H	REQiD	O/H	REQiD	O/H	REQiD	O/H
IRAQI POLICE	IRAQI POLICE SVC	89,369	88,352	55,262	3,402	29,688	136,054	82,403	14,895	5,328	45,065	12,724	89,369	28,316
	CIVIL INTERVENTION FORCE	4,800	0	0	0	0	11,490	0	1,002	0	10,240	0	4,800	0
	EMERGENCY RESPONSE UNIT	270	156	0	116	40	1,020	500	58	0	352	0	300	50
DEPT OF BORDER ENFORCEMENT		20,420	18,248	0	25	18,223	17,153	4,417	3,700	1,298	3,552	1,292	12,626	4,000
FACILITIES PROTECTION SERVICE		73,992	73,992	0	0	73,992	49,500	7,396	155	45	1,155	0	8,350	0
TOTAL		188,851	180,748	55,262	3,543	121,943	215,217	94,716	19,810	6,671	60,364	14,016	115,445	32,366

- 50 % OR LESS OF REQUIREMENT
- 51-84 % OF REQUIREMENT
- 85-100 % OF REQUIREMENT

TRAINED AND EQUIPPED FORECAST





Ministry of Defense Man, Train & Equip Status

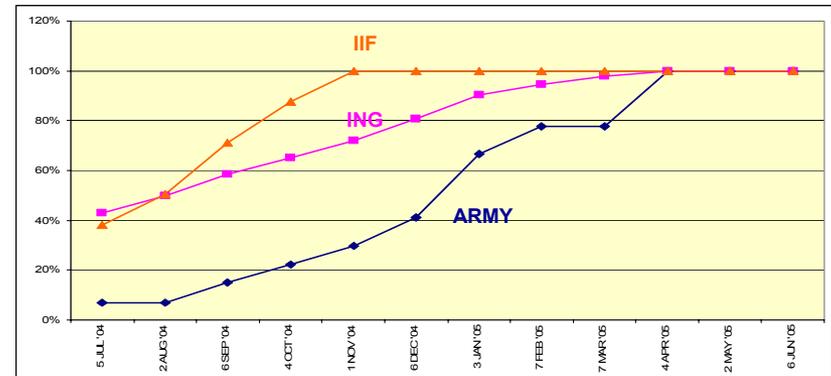


CURRENT STATUS

		MANNING		TRAINING			EQUIPPING							
		REQiD	O/H	NOT TRNiD	IN TRNG	TRNiD	WEAPONS		VEHICLES		COMMS		BODY ARMOR	
FORCE	COMPONENT	REQiD	O/H	NOT TRNiD	IN TRNG	TRNiD	REQiD	O/H	REQiD	O/H	REQiD	O/H	REQiD	O/H
ARMY	ARMY	27,000	7,909	0	6,073	1,836	18,909	15,432	1,980	1,728	3,596	0	27,000	6,137
	NATIONAL GUARD	41,088	37,371	0	2,193	35,178	42,576	36,055	1,311	392	6,963	0	41,088	8,495
	INTERVENTION FORCE	6,584	2,741	0	1,361	1,380	8,850	3,300	583	152	1,798	594	6,584	2,741
	SPECIAL OPS FORCE	1,592	569	0	54	515	1,722	515	110	0	1,148	0	1,592	515
AIR FORCE		502	146	0	30	116	383	0	34	4	21	0	502	0
COASTAL DEFENSE FORCE		409	307	0	120	187	486	12	30	62	156	1	409	0
TOTAL		77,175	49,043	0	9,831	39,212	72,926	55,314	4,048	2,338	13,682	595	77,175	17,888

- 50 % OR LESS OF REQUIREMENT
- 51-84 % OF REQUIREMENT
- 85-100 % OF REQUIREMENT

TRAINED AND EQUIPPED FORECAST





Security - Developments



- ï **Prime Minister Allawi announced the establishment of a new intelligence unit, the General Security Directorate, that will target insurgents**
- ï **The Iraq Intervention Force (IIF) is being established, trained, and equipped for urban counterinsurgency operations**
 - ñ **The initial IIF battalion deployed into Baghdad at the end of Jun**
 - ñ **All three battalions of the first IIF brigade will be ready by end of Jul**
- ï **On 08 Jul, 39 of 45 battalions of the Iraqi National Guard (ING) were manned above 75 percent strength**
 - ñ **Currently conducting joint patrols throughout Iraq with Coalition and Iraqi Police forces**
 - ñ **Focus on equipping, training, and reconstituting the force**
- ï **A new pilot program to increase police effectiveness started in Baghdad by a team of police advisors consisting of Iraqi police and military personnel**
 - ñ **Will focus on longer-term strategies to increase effectiveness ranging from personnel, mission and tasks, equipment and community relations**



Security - Developments (Cont.)



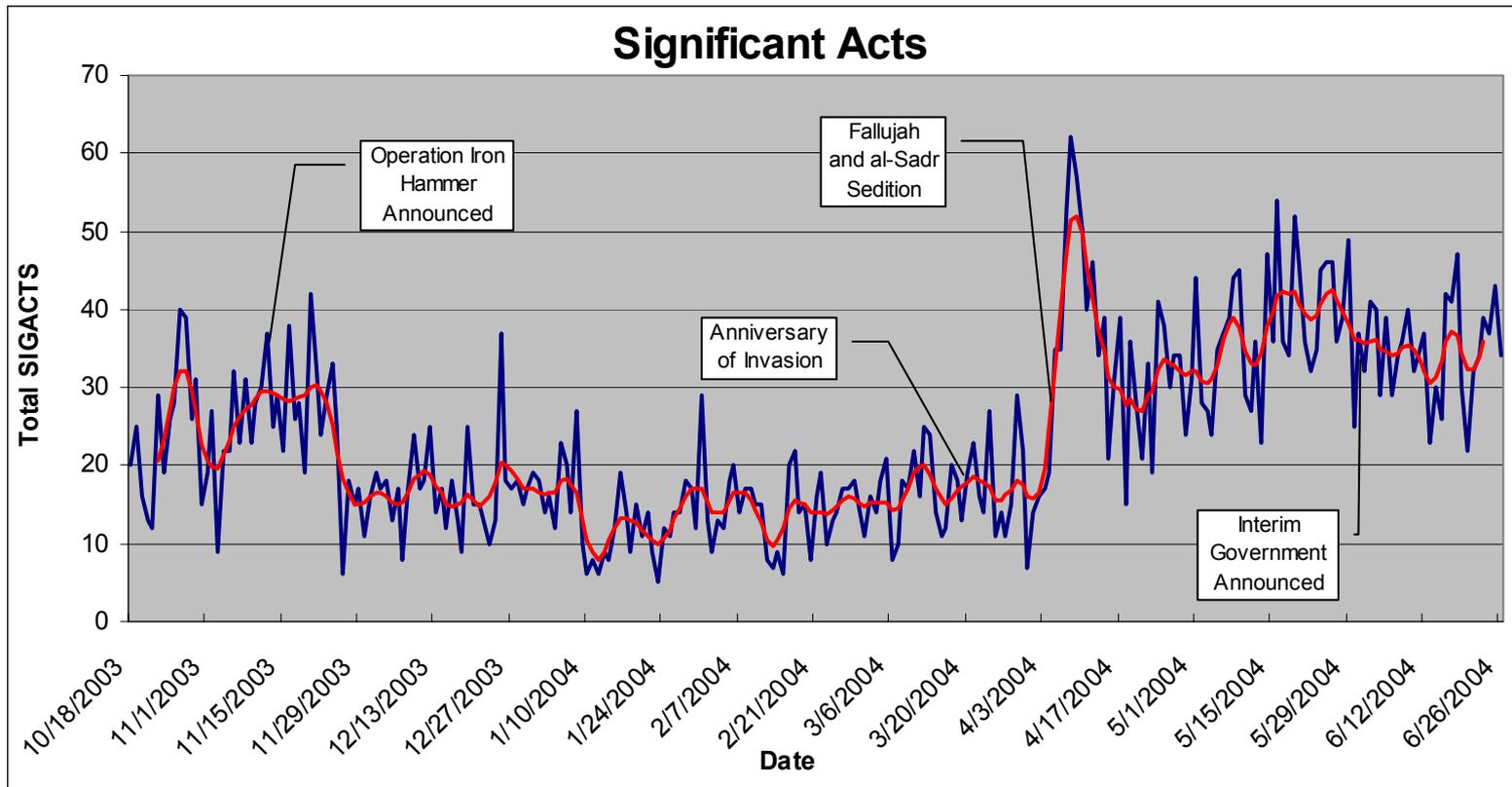
- ï **A total of 5,502 new IPS recruits completed academy training**
 - ñ **Five classes (over 3,411 students) graduated from the Jordan Academy**
 - ñ **Four classes (2,091 students) graduated from the Baghdad Public Safety Academy**
- ï **Approximately 25,000 IPS personnel who served as police under the former regime completed a three-week Transition and Integration Program taught by Coalition**
- ï **Coalition advisors are providing professional development training for IPS officers. The number of IPS graduates from these courses:**
 - ñ **Basic Criminal Investigation 130 (target 1,200)**
 - ñ **Criminal Intelligence Course 64 (target 120)**
 - ñ **Emergency Response 40**
 - ñ **Dignitary Protection 109**
 - ñ **Mid-level Management 42 (target 300)**
 - ñ **Executive Leadership Course 53 (target 300)**



Security - Developments (Cont.)

Chart below shows significant insurgent activities in Iraq to 26 Jun (update should be available next week)

Includes attacks using improvised explosive devices (IED), vehicle-borne IED, mortars, rocket propelled grenades (RPG), and improvised rockets





Stability Contributors - OIF

Countries with forces in Iraq

30

- Albania
- Australia
- Azerbaijan
- Bulgaria
- Czech Rep
- Denmark
- El Salvador
- Estonia
- Georgia
- Hungary
- Italy
- Japan
- Kazakhstan
- Korea
- Latvia

TOTAL ~23K

- Lithuania
- Macedonia
- Mongolia
- Netherlands
- New Zealand
- Norway
- Poland
- Portugal
- Romania
- Singapore
- Slovakia
- Thailand
- Tonga
- Ukraine
- UK

Countries considering decision to provide forces for Iraq

4

TOTAL TBD

34 Countries
 Potentially Supporting
 Iraqi Stability and
 Humanitarian Relief